

<b>Course title:</b> Economic Policy	<b>Neptune code of course:</b> GTGVÖ111BNA Institute of Economics Theory and Methodology
	<b>Course type:</b> required
<b>Course coordinator</b>	Zoltan Bartha, Phd <a href="https://gemi.uni-miskolc.hu/zolibartha">https://gemi.uni-miskolc.hu/zolibartha</a>
<b>Syllabus:</b>	<a href="https://gemi.uni-miskolc.hu/econpol">https://gemi.uni-miskolc.hu/econpol</a>
<b>Recommended semester:</b> 4 Spring	<b>Precondition:</b> -
<b>Place of classes</b>	Building A4 Room 421/B
<b>Time of classes</b>	Mondays 16:00-17:30
<b>Number of lessons/week:</b> 2+0	<b>Acknowledgement of course completion:</b> signature, written exam
<b>Credit value:</b> 3	<b>Training format:</b> full-time
<b>Issued:</b>	<b>1 February 2024</b>
<b>Aim and content of course:</b> <p>The purpose of the course is to explain students how their individual welfare or the well-being of their family members may be affected by economic policy decisions, or measures taken by public sector agents in general. During the course we develop tools that help students in evaluating both the micro- and the macroeconomic effects of economic policy interventions.</p> <p><b>Competences to be developed:</b></p> <p><b>Knowledge:</b>  <i>Students know the basic concepts, theories, facts, national economic and international connections of economics, regarding the relevant economic actors, functions, and processes. They mastered the basic theories and characteristics of the micro and macro organizational levels of the economy.</i></p> <p><b>Skills:</b>  <i>Using the learned theories and methods, students uncover, organize, and analyze facts and fundamental relationships, formulate independent conclusions, critical comments, and prepare reports, and proposals for decision-makers. They are able to follow and interpret changes in economic policy and relevant, related policies according to the field of expertise, their effects, and can take them into account in their analyses, proposals, and decisions.</i></p> <p><b>Attitudes:</b>  <i>Students are open to changes in the broader economic and social environment of the given job, work organization, and enterprise, and they strive to follow and understand the changes.</i></p> <p><b>Autonomy and responsibility:</b>  <i>Students take responsibility for their analyses, conclusions and decisions.</i></p>	
<b>Schedule of the semester &amp; thematic description of course content:</b>	
	<b>Lecture:</b>
12 Feb	Why do we need economic policy at all? Collective action problem, bounded rationality, and economics. Thoughts about economic growth
19 Feb	Basic rules of the markets vs. markets with government intervention
26 Feb	Path dependence – to what extent are market economies similar
4 Mar	Social surplus and deadweight loss – simple tools in assessing the macroeconomic effects of government interventions
11 Mar	The case for market failures: rationality, transaction costs, public goods, externalities, monopolies, principal agent problems
18 Mar	The case for government failures: omnipotence, rationally uninformed electorate, rent seeking, moral hazard.
25 Mar	Government functions: allocation of goods and services, redistribution, macroeconomic stabilisation, regulation
1 Apr	Easter break – no teaching
8 Apr	Fiscal and monetary policy – macroeconomic stabilisation. Expansionary and contractionary

	policies. Fiscal policy: public finances and public debt; flat rate tax vs. progressive tax
15 Apr	Monetary policy: policy rate and monetary transmission. Monetary policy in Europe: Eurozone in or out
22 Apr	The nature of economic crises
29 Apr	Midterm test
6 May	Student presentations
13 May	Student presentations
<b>Extraordinary circumstances amendment</b> The information provided in the syllabus was prepared with face-to-face teaching in mind and may change if online teaching is introduced. Students will be notified in Neptun about the changes in the latter case.	
<b>Method and evaluation of in-semester assessment:</b> <b>Requirements for obtaining the signature:</b> The signature is awarded if students actively participate in class discussions and give a presentation on a previously agreed topic. The signature is awarded if a minimum of 5 points are accumulated, where the maximum amount of points is 15 in the following structure: <ul style="list-style-type: none"> <li>- Active class participations (max. 3 points)</li> <li>- Presentation (max. 12 points)</li> </ul> Students must give a 10-15-minute PowerPoint presentation on a previously agreed topic (see topic suggestions).  Points for class participation <ul style="list-style-type: none"> <li>- at least 5 classes: 1 point</li> <li>- at least 7 classes: 2 points</li> <li>- at least 9 classes: 3 points</li> </ul> Deadlines: <ul style="list-style-type: none"> <li>- Agreeing on the topic &amp; date of presentation: 18 March (if you do not have a topic by this date, you will not be able to complete this course!)</li> <li>- Sending the PPT to zoltan.bartha@ekon.me: 2 May</li> </ul> (The maximum points that can be obtained for the presentation (12) is decreased by one with every day that you are late with) <ul style="list-style-type: none"> <li>- Presentation: two days are dedicated for the presentations (see schedule above); the first students get to choose between the two days, the later ones are automatically assigned to a day by me</li> </ul> If the presentation is not given on the agreed date, the signature is denied (because the minimum of 5 points cannot be collected without it). The only way to make up for the lost presentation points is to write a 30-page (~10,000-word) essay on the same topic, discussing the same issues as it was required in the presentation. The essay is declined if any plagiarism is detected. Deadline for the essay: 25 May  <b>Topic: Climate change and economic growth.</b> The task is as follows: 1) define a focus area (country or geographic region, sector or industry); 2) describe the current situation of the focus area (with recent statistics, always cite your sources); 3) describe the interaction of your focus area with climate change and economic growth (citing theories); 4) formulate a specific measure, an economic policy proposals that may be suitable for mitigating the problem in the selected focus area; 5) present professional arguments that show why the proposal can work; 6) mention possible weaknesses-limitations - Why is it not certain that the proposal will really achieve the desired effect? When listing your arguments, you can rely on your knowledge on the economy, but you can also use external sources, studies and papers written on the topic. The important thing is to always cite your sources.  <b>Individual study plan</b> If you are enrolled to a Hungarian programme and apply for individual studies, please, do not register this course. You can pick the Hungarian version of the course instead (Gazdaságpolitika, GTGVÖ111BN).  <b>Completion requirements and evaluation criteria for seminar grades and exams:</b> you may only take the exam if you obtained a signature from the course	

**Oral/written exams, or specific methods/practices applied during the course:**

Students have the option to take a midterm exam, or they can write the final exam during the exam period. Both exams have the exact same structure: 11 multiple choice questions that include definitions, examples, logic exercises (for 1 point each); 2 essay questions that usually test the decision-making skills of students (for 2 points each). The time available for the test is 30 minutes.

The final grade is calculated as follows:

- Active class participations (max. 3 points)
- Presentation (max. 12 points)
- (Midterm or final) test (max. 15 points)

The point structure is the following: 30-24 excellent; 23-21 good; 20-18 satisfactory; 17-15 pass; 14-0 fail. For Erasmus students the following ECTS grading scale will be used: 30-27 excellent – A; 26-24 very good – B; 23-21 good – C; 20-18 satisfactory – D; 17-15 pass – E; 14-0 fail – F.

**Required reading:**

Most of the materials & more are available in the elearning system: <https://elearning.uni-miskolc.hu/zart/>  
Sara Connolly & Alistair Munro: Economics of the public sector. London: Prentice Hall, 1999. Pp. 1-56, 121-202, 339-409.

Recent issues of The Economist: <http://www.economist.com/>

Thaler-Sunstein: Nudge. London: Penguin Books, 2008

**Suggested reading:**

J.M. Buchanan: What should economists do? Indianapolis: Liberty Press, 1979.

M. Friedman: The Role of Government in Education. New Jersey: Rutgers University Press. Economics and the Public Interest, ed. Robert A. Solo, 1955

J.K. Galbraith: The Culture of Contentment. New York: Houghton Mifflin, 1992.

D. Acemoglu – J. A. Robinson: Why Nations Fail? Crown Publishing, 2012.